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EXAMINER

BASHORE, ALAIN L

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 08/13/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/005,609

Applicant(s)

GLODJO ET AL.

Examiner

Alain L. Bashore

Art Unit

3624

— The MAILING DATE of this communication appears on the cover sheet with the correspondence address —

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 October 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-55 is/are pending in the application.
- 4a) Of the above claim(s) 19-42 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 and 43-55 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 4,5.
- 4) ☒ Interview Summary (PTO-413) Paper No(s). 9.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Election/Restrictions

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:

- I. Claims 1-18, 43-55, drawn to a system and method to facilitate trading, classified in class 705, subclass 37.
- II. Claims 19-42 drawn to a system and network utilizing a non-disjoined network, classified in class 705, subclass 37.

2. Inventions II and I are related as combination and subcombination. Inventions in this relationship are distinct if it can be shown that (1) the combination as claimed does not require the particulars of the subcombination as claimed for patentability, and (2) that the subcombination has utility by itself or in other combinations (MPEP § 806.05(c)). In the instant case, the combination as claimed does not require the particulars of the subcombination as claimed because no requirements are recited for a non-disjoined network. The subcombination has separate utility such as for use in networks other than the non-disjoined network claimed in the combination.

3. During a telephone conversation with Mr. Radlo on 7-31-03 a provisional election was confirmed as being made earlier without traverse to prosecute the

invention of Group I, claims 1-18, 43-55. Affirmation of this election must be made by applicant in replying to this Office action. Claims 19-42 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-18, 43-47, 49, 52-53, and 55 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 9 recites "ofitems" which appears to be a typographical error.

Claim 11 recites "standard" which is considered a relative term.

Claim 52 is rejected as reciting an improper Markush claim (see MPEP 2173.05(h)).

MPEP 2173.05(h) Alternative Limitations

I. MARKUSH GROUPS

Alternative expressions are permitted if they present no uncertainty or ambiguity with respect to the question of scope or clarity of the claims. One acceptable form of alternative expression, which is commonly referred to as a Markush group, recites members as being "selected from the group consisting of A, B and C." See *Ex parte Markush*, 1925 C.D. 126 (Comm'r Pat. 1925). It is improper to use the term "comprising" instead of "consisting of." *Ex parte Dotter*, 12 USPQ 382 (Bd. App. 1931).

Claims 1, 9, 43, 44, 46, 47, 49, 53, and 55 also appear to claim an improper Markush group in each respective preambles.

Claims 1-18 recite "system" which is vague and indefinite since a system may be one of several different statutory classes of invention (including a method or an apparatus). Applicant must indicate on the record what statutory class of invention the system claims belong to. For the purposes of this examination these claims are considered apparatus.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 53-54 are rejected under 35 U.S.C. 101 as non-statutory. The method claims as presented do not claim a technological basis in the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim at least one structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) – used only for content and reasoning since not precedential].

Petition re Drawings

8. The petition under 37 CFR 1.84 (a)(2) to accept color drawings (figures 13 through 22) is hereby denied.

The petitioner's reasoning is twofold: one - that the color drawings are computer screen shots in color and color is necessary to distinguish among items displayed, and two - that it would be disrespectful to show the US flag in black and white.

The first reason is not considered sufficient in view of the complexity disclosed. An explanation in the specification of the display item (i.e. what color it may depict) labeled in a black and white drawing is sufficient for description purposes. MPEP 608.02 clearly states that color is for use on "rare occasions" in a patent application. Screen shots are known in patents of the related subject matter utilizing black and white renditions.

The second reason is not considered applicable. No disrespect is imparted by use of black and white renditions of the US flag per se. Non-color pictures are known of the US flag from text and newsprint sources.

Specification

9. The disclosure is objected to because there is described on page 4 of the specification color drawings are indicated as part of the disclosure, which have been deigned entry. Amendment of the disclosure will be held in abeyance until the denial of the petition under 37 CFR 1.84 (a)(2) is made final.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 1-4, 8, 10-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen et al in view of Feilbogen et al.

Kitchen et al discloses a system for facilitating trading two items from the group of items comprising commodities and financial instruments. The system includes: at least two agents that want to trade the items and a trading channel between the two agents allowing for the execution of trades (para 0014), flow limits on the traded items and on any underlying instruments to be exchanged upon settlement of the traded items (para 0016) and a central computer coupled to the two agents, said computer adapted to convey to each agent current tradable bid and offered prices and sizes subject to the agent's flow limits (fig 20). The central computer updates the current tradable information after each trade (para 0138). Affix dates and time stamps on trade orders posted by the agents are present (fig 5).

Kitchen et al does not disclose agents as being credit-extending or non-credit-extending.

Feilbogen et al discloses agents as being credit-extending or non-credit-extending (para 0004).

It would have been obvious to one with ordinary skill in the art to include to Kitchen et al agents as being credit-extending or non-credit-extending because Feilbogen et al discloses parties of both types involved in trading (para 0018).

12. Claim 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen et al in view of Feilbogen et al as applied to claims 1-4, 8, 10-18 above, and further in view of Wilton et al.

Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen et al in view of Feilbogen et al in further view of Wilton et al.

Kitchen et al in view of Feilbogen et al does not disclose the recitations of claims 5-7. Kitchen et al in view of Feilbogen et al also does not disclose the credit-extending and non-credit extending agent relationships as recited in claim 9.

Wilton et al discloses credit-extending agents relationships to non-credit extending agents (col 5, lines 12-30).

It would have been obvious to one with ordinary skill in the art to include credit-extending agents relationships to non-credit extending agents as recited in claims 5-7 and 9 to Kitchen et al in view of Feilbogen et al because Wilton teaches at credit extending agents may have multiple relationships with others such entities (col 5, lines 15-25).

13. Claims 43-55 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen et al in view of Feilbogen et al in further view of Neyman et al.

Kitchen et al in view of Feilbogen et al discloses what is described in the previous rejections. There is further disclosed to Kitchen et al displaying a custom limit orders.

Kitchen et al in view of Feilbogen et al does not disclose multi-hop trading limits between agents or graphing a network comprising nodes representing agents.

Neyman et al discloses multi-hop trading limits between agents (para 0019) utilizing an algorithm (para 0064) and graphing a network comprising nodes representing agents (figs 4-7).

It would have been obvious to one with ordinary skill in the art to include multi-hop trading limits utilizing an algorithm between agents to Kitchen et al in view of Feilbogen et al because Neyman et al discloses multi-hop trades as facilitating credit limitations of traders (para 0006).

It would have been obvious to one with ordinary skill in the art to include graphing a network comprising nodes representing agents to Kitchen et al in view of Feilbogen et al because Neyman et al discloses the importance of nodal relationships in trading (para 0061 and 0062).

Conclusion

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Jain et al, Calo et al, Eng et al, and May all disclose trading systems.

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:00 am to 4:30 pm (Monday thru Thursday).

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-1113.



Alain L. Bashore
August 9, 2003



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